

## **FISCAL NOTE**

### **SB 699 - HB 761**

March 12, 2007

**SUMMARY OF BILL:** Removes the 21 year-old age limitation to receive a tuition waiver for a dependent child whose parent was killed in action, was a prisoner of war or missing in action during a qualifying period of conflict; expands the tuition exemption to every dependent child whose parent served in the armed forces and received the Purple Heart decoration or was wounded as a result of enemy action and received a discharge other than a dishonorable discharge; and any dependent child whose parent served before July 1, 1999, was recognized by the award of a service or campaign medal and suffered a service-connected death or disability. Determination of eligibility for higher education benefits authorized under T.C.A. 47-7-102 is vested exclusively in the Tennessee Department of Veteran's Affairs.

### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$8,503,600 FY07-08  
\$8,844,100 FY08-09**

**Other Fiscal Impact – The number of dependent children whose parents served before July 1, 1999, and received a service connected disability cannot be determined. The extent of such disability also cannot be determined. However, it is estimated that to expand the tuition waiver to this class of individuals would result in a significant increase in state expenditures.**

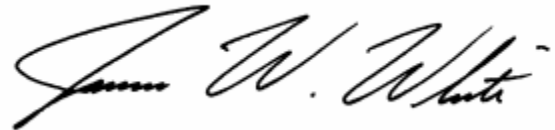
#### Assumptions:

- The number of dependent children who would remain eligible due to the removal of the age limitation is estimated to be not significant since the number of children who are in this class is estimated to be small.
- The estimated number of purple hearts received by Tennessee veterans since 1932 is 34,170.
- 66% of the population falls between age groups 15-19 and 60-64 according to federal census data.
- Applying this percentage to the number of Tennessee veterans receiving purple hearts, there would be an estimated 22,552 eligible veterans.

- The average number of dependents per veteran is estimated to be two dependents.
- The total number of eligible dependents is estimated to be 45,104.
- Assuming a participation rate of 5%, the number of eligible participants would be 2,255.
- The average tuition/fees per dependent that would be waived are estimated to be \$3,771 per year.
- First year costs (FY07-08) are estimated to be \$8,503,605 (2,255 dependents x \$3,771).
- Second year costs (FY08-09) are estimated to be \$8,844,110 (2,255 dependents x \$3,922).
- Tuition is estimated to increase at a rate of 4% per year.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director